



PRICE DANIEL
ATTORNEY GENERAL

THE ATTORNEY GENERAL OF TEXAS

AUSTIN 11, TEXAS

July 9, 1948

affirms V299

overrules in

Part 0-6792

Hon. Paul H. Brown
Secretary of State
Austin, Texas

Opinion No. V-629

Re: The franchise tax
liability of co-operative
hospitals organized un-
der Sec. 2A of Art. 1302,
V.C.S.

Dear Mr. Brown:

Your opinion request reads as follows:

"In Attorney General's opinion No. 0-6792, approved September 24, 1945, it was held that cooperative hospitals organized under Section 2A of Article 1302, R.C.S., Acts 1945, 49th Legislature do not fall within any of the exemptions enumerated in Article 7094, V.C.S. and, therefore, were required to pay the annual franchise tax.

"In opinion V-299, dated July 11, 1947, it was held that such type corporations were exempt from the State ad valorem taxes on their property. In writing the opinion cognizance was taken of opinion No. 0-6792 but the question of exemption from the franchise tax was not considered since it was not before you for consideration in connection with the exemption from ad valorem taxes. Since the date of the first opinion this office has consistently required all corporations organized under the aforementioned act to pay the annual franchise tax. In the light of the second opinion, however, a question has arisen as to whether or not it should be considered in now indicating on our records that all cooperative hospitals organized under Section 2A of Article 1302 are exempt from the franchise tax.

"We ask that you review the two opinions and inform this office if opinion No. V-299 overruled opinion No. 0-6792. An answer to this question as soon as the facilities of your office permit will be appreciated."

We have carefully reviewed the two opinions in question and reaffirm our holding in Opinion V-299. Opinion 0-6792, of a former administration, insofar as it is in conflict with V-299 is

Hon. Paul H. Brown, Page 2 (V-629)

hereby expressly overruled. Evidently the writer of 8-6792 overlooked the holding in *City of Palestine v. Missouri Pacific Lines Hospital Ass'n.*, 99 S.W. (2d) 311.

SUMMARY

Co-operative hospitals organized under Sec. 2A of Art. 1302, V.C.S., are "institutions of purely public charity." Hence they are exempt from the payment of franchise taxes. Opinion 8-6792, of a former administration, insofar as it is in conflict with Opinion V-299, is overruled.

Yours very truly

ATTORNEY GENERAL OF TEXAS

By 

W. V. Goepfert
Assistant

WVG/amm/JCP

APPROVED


ATTORNEY GENERAL